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6 December 1979

Japan Report

(FOUO 34/79)



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JAPAN REPORT

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CONTENTS

PAGE

POLITICAL AND SOCIOLOGICAL

Japanese Media Comments on Ohira's New Cabinet (Various sources, various dates)	1
'MAINICHI' Editorial	
'ASAHI' Editorial	
'AKAHATA' Editorial	
'JAPAN TIMES' Editorial	
'DAILY YOMIURI' Comments, Editorial	
'ASAHI' Editorial	
'MAINICHI' Comments, Editorial	
'ASAHI' Comments of Ohira's Press Conference, Editorial	
JCP Secretariat Chief Denounces New Ohira Cabinet (JPS, 9 Nov 79)	17
'JPS' Notes Reactionary Line of New Ohira Cabinet (JPS, 9 Nov 79)	19
'ASAHI' Views Coalition Issue in Japan (Kiyoshi Ebata; ASAHI EVENING NEWS, 17 Nov 79) ...	20
Okita Hopes To Visit United States Soon for Talks With Vance (ASAHI EVENING NEWS, 10 Nov 79)	22
'DAILY YOMIURI': Majority of JSP Favors Opposition Alliance (THE DAILY YOMIURI, 5 Nov 79)	24

- a -

[III - ASIA - 111 FOUO]

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CONTENTS (Continued)	Page
ECONOMIC	
Iranian Workers Besiege Japanese Office, Demand Payment (SHUKAN SHINCHO, 1 Nov 79)	26
Human Error, U.S. Part Blamed for Nuclear Plant Accidents (ASAHI EVENING NEWS, 14 Nov 79)	31
Japanese Agency Says Economy Has Reached Peak (MAINICHI DAILY NEWS, 14 Nov 79)	33
Ohira To Offer Large-Scale Loan to China (MAINICHI DAILY NEWS, 18 Nov 79)	34
Organization To Help PRC Improve Productivity (NIHON KEIZAI SHIMBUN, 5 Nov 79)	36
Kuwait Buys 35.5 Million Shares in Three Japanese Firms (THE JAPAN TIMES, 9 Nov 79)	38
Briefs	
Singapore Plant Order	39
Bank Venture in Budapest	39
Soviet Advertising Corporation	39
OPP Film Plant to Hungary	39
Increase in Oil Prices	40
SCIENCE AND TECHNOLOGY	
High-Purity Tin Refining Process Developed (NIHON KOGYO SHIMBUN, 20 Oct 79)	41

- b -

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POLITICAL AND SOCIOLOGICAL

JAPANESE MEDIA COMMENTS ON OHIRA'S NEW CABINET

'MAINICHI' Editorial

OW120637 Tokyo MAINICHI DAILY NEWS in English 10 Nov 79 p 2 OW

[Editorial: "New Ohira Cabinet"]

[Text] The second Ohira cabinet finally got off to a shaky start Friday, after a protracted, mud-slinging struggle within the ruling party for the premiership. Rough sailing is indeed ahead for the new cabinet, with myriad difficult problems, all of which urgently require solutions, and complicated intraparty problems.

It is more than two months now since the lower house was dissolved, a dissolution which left political and administrative vacuums in its wake, and also more than a month since the LDP's "setback" in the 7 October elections--a period in which the LDP leaders devoted themselves to a tug-of-war for the premiership, one of the bitterest fights in the history of parliamentary government in Japan.

With the emergence of the new Ohira cabinet against this background, what we want him to do now is to demonstrate resolute determination and, at the sacrifice of his own interests, to deal efficiently with the many impending problems, in earnest and as swiftly as possible.

The lineup of the new cabinet, in a nutshell, shows the prime minister's consideration for keeping the power of intraparty factions in balance, although he made an unconventional move in picking Saburo Okita from the private sector as foreign minister. However, the selection of new cabinet ministers is far from a solution to intraparty power struggles which are strongly marked by personal enmity.

Among the steps the people want to see taken soon are a tightening of discipline in the public corporations, and the establishment of a political code of ethics--in order to eliminate spending irregularities and misappropriations of funds at public corporations, and to prevent new scandals in

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connection with the purchase of foreign aircraft. Also, the people want to see an early introduction of "inexpensive" elections and stepped-up preparations for adopting a new system of political contributions--increasing contributions by individuals while restricting those by corporations.

However, the most urgent matter the new cabinet has to tackle is improvement of the administrative performance of government agencies. The abolition and integration of public corporations, transfers of government employees among government agencies and simplification of government procedures are among the many steps the new cabinet must take in order to make the government more effective. The introduction of a "cheap but effective" government has priority over any government plan to increase taxes.

The field of economy, the first problem the new government must cope with is the compilation of the national budget for the next fiscal year, designated as the first year for reconstructing the deficit-ridden national finances.

We believe the government should take advantage of the prevailing situation in which the ruling and opposition parties, and even the people, see the need of reconstructing the national finances. In this respect, the opposition parties and antimainstream factions within the LDP should refrain from making moves which hinder government efforts to straighten out the national finances.

Other important problems are found in regard to inflation and economic growth.

Although the official discount rate was raised recently as a means to fight inflationary pressure, the nation faces a persistent threat of worsening inflation because of the declining value of the yen and discouraging prospects for oil prices. The implementation of an anti-inflation financial policy is essential in order to maintain economic growth strongly supported by the private sector. On this score, the bank rate hike can be termed timely and appropriate.

However, some discouraging signs have become discernible in private business performance. Production has begun to slow, product shipments are declining, retail sales are down and business investments are decreasing. Coupled with an expected reduction in government spending, prospects for economic activities have become murkier. Further, if the government pursues restrictive policies, it may lead to "overkill" of the economy. In this connection, the new government is required to follow appropriate, effective policies to keep the nation's economy going.

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'ASAHI' Editorial

OW120647 Tokyo ASAHI EVENING NEWS in English 10 Nov 79 p 5 OW

[Text] Amid the confusion and disputes which split the party over who should be held responsible for the results of the general elections, Prime

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Minister Masayoshi Ohira finally managed to form the second Ohira cabinet on the night of 8 November.

Two yardsticks are probably needed to evaluate the new cabinet. First, how much can Ohira himself, who has already lost the trust of the majority of the people, reconstruct his political stand with the formation of the new cabinet as the turning point and to what extent can he recover his ability to persuade the people to accept major policies? Ohira's ability and determination to direct the cabinet are at issue.

Second, do the new cabinet members, who were appointed in this unusual situation, have the determination to deal with policy problems while responding to the hopes of the people? Are they up to the task?

When these two yardsticks are applied to the new cabinet, there appears to be little hope for a bright future. Until we see what kind of government the second Ohira cabinet carries out or intends to carry out, there is no way we can evaluate the cabinet. This is because when we look at all the members of the new cabinet, we do not recognize Ohira's stated intention to "put the right man in the right place" and create a "fresh and lively" spirit for carrying out administrative and financial reforms and enforcing official discipline.

One exception to this is the appointment of Saburo Okita, from non-political circles, as foreign minister. This suggests a new emphasis on foreign relations. But overall the cabinet maintains the balance among factions--the same characteristic as that of the past cabinets. On top of that, among the faction-oriented appointments, many of the men seem to have been picked because of their record in the voting for the prime minister in the Diet. Also, there are those who became cabinet members only because they were the next in line in their respective factions.

Up to now we have criticized Ohira's attitude toward the people's judgment handed down in the general election and his responsibility for having made government mark time for over 30 days after the general election. Doesn't the new cabinet appear in the eyes of most people as a "cabinet which cannot be congratulated"? When the situation is such, from the standpoint of regaining the trust of the people, Ohira should have faced the task of forming his new cabinet with the determination to find a way out of a fatal situation.

Actually, however, the appointments indicate that priority was given to factions rather than the party and to the party rather than the state. For instance, the Tanaka faction took over the posts of finance minister and home affairs minister (chairman of the National Public Safety Commission). While he is the pivot man for the reconstruction of national finances, the finance minister is responsible for taxes and tariffs, and the chairman of the National Public Safety Commission supervises the police. Both are

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deeply involved in the investigations of the various scandals, beginning with the financial irregularities in government ministries and agencies.

The Tanaka faction taking over both these posts not only indicates the relative importance of the Tanaka faction within the Ohira cabinet but makes people question sincerity of Ohira's promise to eliminate government dependent on the power of money.

The urgent problem of administrative reform has been entrusted to Sosuke Uno, a leader of the Yasuhiro Nakasone faction. But this problem depends on the determination and political power of Ohira himself to put down the resistance of the bureaucrats.

We are puzzled as to why Prime Minister Ohira has appointed himself education minister. We wonder if it is related to the rumors that a member of the New Liberal Club, which supported Ohira in the Diet election of the prime minister, would become the education minister? This is an important point and must be clarified.

Another thing we find hard to understand and accept is the fact that Chairman Tadao Kuraishi of the executive board of the Liberal-Democratic Party, who comes from the Takeo Fukuda faction, was appointed justice minister. When there is so much concern to eliminate political scandals, can the appointment of a politician with strong factional ties to head the justice ministry be described as "the right man in the right place"?

Drafting of the fiscal 1980 budget, which the second Ohira cabinet must tackle immediately, contains very difficult problems, such as financial reconstruction, energy, economy and prices. Disturbances are inevitable in riding through the regular Diet session and on the way to the upper house election that comes after that. The only thing that we can ask the cabinet now is to listen to the people and have a high regard for what they are saying.

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'AKAHATA' Editorial

OW121505 Tokyo JPS in English 0859 GMT 12 Nov 79 OW

[Text] Tokyo, 12 Nov, JPS--AKAHATA carried an editorial on 11 November entitled "The Coalition Between LDP and Centrists Has No Bright Future," which commented on Prime Minister Masayoshi Ohira's remarks made on 10 November suggesting that there is a possibility of forming a coalition between the Liberal Democratic Party and the New Liberal Club.

The AKAHATA editorial said that Prime Minister Ohira's request that the NEC take office of the education minister amounts to a big step jumping over the framework of the past "partial coalition," and this announcement also amounts to the world that the one-party rule by the LDP has begun crumbling."

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The editorial said also that the move for the "coalition" stemmed from the fact that the LDP alone can no longer steer the political situation, and viewed that the LDP would strengthen efforts to bring the right-leaning opposition parties into its rank and to cooperate and align with them.

The editorial continued to say that the turn made by the NLC for supporting the Ohira administration, which had at least advocated the "anti-LDP" and "centrist" position in the past, is nothing but a mere reflection of future gains of the "centrist" forces of Komei and the Democratic Socialist Party."

By this way, Prime Minister Ohira has taken the first step of the basic line for the 1980's to solve the crisis in the 1980's by a "coalition of conservatives and conservative-supplementing forces," by taking in the right leaning opposition parties, "but it is obvious that this will not solve the national crisis, and still more, they have no futurity as the driving force for a democratic Japan," said the AKAHATA editorial.

'JAPAN TIMES' Editorial

OW120509 Tokyo THE JAPAN TIMES in English 10 Nov 79 p 12 OW

[Editorial: "Mr Ohira's New Cabinet Team"]

[Text] The lineup of the new Ohira cabinet, made up of 10 allies and eight drawn from the anti-Ohira groups and containing an unusually large number of first-timers, is anything but one to inspire confidence in its ability to accomplish major tasks of policy. But damaged unity and unmitigated disarray within the Liberal-Democratic Party (LDP) is best shown by the fact that Prime Minister Masayoshi Ohira has had to give up the naming of three key executive officers of the ruling party before the formation of the cabinet Thursday night.

After the bruising battle for renomination as prime minister on Tuesday in the Diet, Mr. Ohira had to do two things. First, he had to appease the intraparty factions which opposed his reelection and, if possible, weaken solidarity in the anti-Ohira camp, at the same time. Second, he had to reward those who helped him to win in the facedown in the lower house with Mr. Takeo Fukuda, former prime minister and the joint candidate supported by Mr. Ohira's opponents.

He attempted to meet those requirements of appeasing and neutralizing intraparty opposition by accepting candidates for cabinet membership put forward by the Fukuda, Miki and Nakasone factions which joined forces to challenge Mr. Ohira's renomination. The mass admission of new faces, 15 as against the 20 cabinet seats, is thus partly a result of Mr. Ohira's efforts to accommodate his adversaries and restore a modicum of party unity.

But, put the other way round, the numerousness of fresh cabinet members having no ministerial experience, shows that the three anti-Ohira groups

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cared to offer no heavyweights, perhaps save Mr. Tadao Kuraishi, the new minister of justice, for representing them in the second Ohira government. It is apparent that they see decisive importance in who will occupy the key party executive posts and, therefore, control party affairs rather than representation in the cabinet this time.

Mr. Yasuhiro Nakasone's refusal to serve as finance minister, in spite of repeated entreaties by Mr. Ohira, is another evidence that the out-groups are yet far from being interested in a reconciliation and giving Mr. Ohira anything like fullhearted support. How firm a truce may be arranged between the two contending camps depends on the extent to which Prime Minister Ohira will prove ready this week to accommodate the known wishes of the out-groups about the new make-up of the LDP executive command.

In the selection of new cabinet members, Mr. Ohira also did as much as he could to payoff the political debt he owed his supporters, particularly those led by former Prime Minister Kakuei Tanaka. The finance portfolio, after all, went to Mr. Noburo Takeshita, while that of home affairs together with the concurrent job of chairing the National Public Safety Commission, was offered to Masaharu Gotoda, another trusted lieutenant of Mr. Tanaka. Likewise, Mr. Ohira duly expressed his sense of appreciation to Messrs. Kabun Muto and Usaburo Chizaki, who voted against their factions and switched to Mr. Ohira in Tuesday's parliamentary showdown.

The most novel of the new cabinet appointments is that of Mr. Saburo Okita as foreign minister, who is known internationally as an economic planner. He ran unsuccessfully with the endorsement of the New Liberal Club (NLC) in the last upper house election. Whether Mr. Okita will prove to be a good foreign minister is at best unknown at a time when the political-security side of Japan's foreign policy is gaining in importance, but recruiting qualified persons from a broad field outside the pale of the incumbent parliamentarians is a useful practice.

By calling on Mr. Okita to serve in the new cabinet, Prime Minister Ohira is also believed to have attempted to acknowledge his political indebtedness to the NLC which stood behind Mr. Ohira's renomination. Mr. Ohira is also said to have offered another cabinet post, that of education, to the NLC. That offer failed to be taken up for one reason or another this time, and Mr. Ohira was compelled to serve as minister of education concurrently. In any event, it is clear that Mr. Ohira counts on the NLC to work with him beyond the recent fight over the prime ministership.

The road before the new Ohira cabinet is obviously strewn with uncertainties. He angered and alienated Komeito and the Democratic Socialist Party during the last regular Diet session when he ultimately snubbed their request for a formal revision of the 1979 budget. He was disillusioned with the tedious work of securing their cooperation in legislative activities, and called the October general election, gambling on chances to win a decisive LDP majority in the lower house.

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Additionally Mr. Ohira is now constrained by the existence of a potential but formidable opposition within the party, which he failed to disarm through the cabinet appointments.

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'DAILY YOMIURI' Comments

OW091511 Tokyo THE DAILY YOMIURI in Japanese 7 Nov 79 p 2 OW

[Editorial: "Political World Tarnished"]

[Text] Prime Minister Ohira has been reelected in the Diet but the power struggle within the Liberal-Democratic Party (LDP) has set off powerful tremors in Japan's political world.

Ohira and former Premier Takeo Fukuda carried their bitter feuding to the floor of the House of Representatives where it ended with the prime minister winning on the second ballot. However, this only deepened the fissure in the LDP.

The New Liberal Club (NLC) voted for Ohira on the first and second ballots in line with its fourpoint policy agreement with the prime minister. And this can only be interpreted as a major step toward an era of coalition government and a clear signal that reorganization of Japan's political world has begun.

Political parties have split before but this is the first time that a single party put up two candidates in the Diet for the premiership. In the past, there were rules to maintain party unity but these rules now have been broken.

Ohira's Behavior Disgusting

The LDP should be condemned for treating the Diet as its private property. But we are disgusted with Ohira for clinging so desperately to power which has left a stain on postwar parliamentary democracy. The image of the LDP has been tarnished and the damage done the party is considerable, although it cannot be fully assessed. We deplore these events which have lowered the prestige of the Diet and the premiership.

We expressed earlier our desire that Ohira step down and assume the responsibility for the LDP's setback in the lower house election, and allow the LDP to choose a new president. But he refused to obey the basic rules of politics.

It should be recalled that Takeo Miki resigned after the LDP's bad showing at the polls in 1976 and it was Ohira who urged him to do so. But Ohira would not this time follow his own advice.

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Delicate Power Balance

In the recent power struggle, nearly half the LDP Diet members joined the anti-Ohira forces. With the present near equilibrium in both houses of the Diet between the LDP and the opposition parties, only a few anti-Ohira Dietmen would have to join the opposition to cause the collapse of the Ohira government. Ohira's hold on the party and government is weak indeed.

Ohira must try to mend relations with the antimainstream factions but this will not be easy. The antimainstream factions during the struggle declared their "determination" to carry out party reform by attacking Ohira's political stance and ending the "money politics" of the LDP.

The LDP is confronted with the tasks of creating an energy policy, rehabilitating public finance, establishing political ethics and purifying elections. Ohira insisted, and we believe wrongly, that his responsibility was to stay in power to fulfill LDP election pledges. Nevertheless, as premier he must now make his best efforts.

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'ASAHI' Editorial

OW091525 Tokyo ASAHI EVENING NEWS in English 8 Nov 79 p 5 OW

[ASAHI SHIMBUN 7 November editorial: "Ohira Faces Thorny Path"]

[Text] The battle for political power between the mainstream and non-mainstream factions, which continued for a month after the general election and which divided Liberal-Democratic Partymembers into two camps while the people were watching, has finally ended.

Masayoshi Ohira was again named prime minister in the election in the plenary session of the House of Representatives.

How should the LDP reply to the severest people's judgment since the formation of the party? The question of responsibility, which the non-mainstream factions said could only be solved through Prime Minister Ohira's stepping down, was not resolved within the party.

The ruling party could not agree on one candidate for prime minister and stooped to the unprecedented and disgraceful tactic of bringing its intra-party power struggle to the Diet.

Poorest Choice

A runoff election was held between Ohira of the mainstream factions and Takeo Fukuda of the non-mainstream factions, who were first and second in the first ballot, and eventually Ohira was elected prime minister.

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But the essence of the problem has not been solved. A "party split" was avoided, but it cannot be expected that the confrontation between the main-stream and non-mainstream factions, which took the unusual step of presenting two candidates from one party in violation of the principles of party government, will be eliminated readily.

One-party rule by the LDP, which has continued for 24 years since the merger of the conservative forces, will probably walk the path of self-destruction as a result of the dearth of leaders and its inability to change with the times.

The LDP in its power struggle, which was already accused of "ignoring the people," made its indifference toward the people even more obvious at the end. A party split was avoided for the time being, but no matter how the surface is glossed over, the actual situation is close to a real split. Ohira's reelection has inflicted a wound on the party which cannot be cured.

We maintain that this dispute is not over. An even more serious confrontation will threaten to fragment the party.

Rejuvenation Needed

The LDP-opposition parity situation, which has promoted new changes in government in Japan, will probably not change as the political keynote of modern Japan.

Among the people, voices calling for a firm coalition government under the LDP-opposition parity situation are becoming louder. Rather than feeling anxious over the crumbling of the current one-party government, the people are asking that both the LDP and opposition parties take constructive steps to correct the distortions in government brought about by one-party rule.

In this sense, the reconstruction of the LDP must be considered on a new plane transcending the past inward-looking ideas such as "elimination of factions" and "unified-party system."

The experienced LDP elders are probably intelligent men and are concerned about the future of the party. But it is hard for them to break away from the old framework. On the other hand, the young generation, which has been buried within the old framework, though unproven, has unknown possibilities.

The standard-bearer of the LDP-opposition parity and coalition age should be the young generation with its fresh ideas and energy. The various factions of the LDP should be willing to promote younger people as political leaders.

The month-long dispute posed many problems for the opposition parties, too. When viewed in a historical perspective, the abnormal election of the prime minister had the character, as it were, of a test case for coalition government. On this point, the lack of vitality, actions and policies on the part of the opposition parties was all too obvious.

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It is incomprehensible why the New Liberal Club supported Ohira from the first ballot, particularly when we consider the background of the LDP forces supporting Ohira and the original motives for the NLC's formation.

Can't the action of the NLC be considered close to "absorption" by the Ohira and Tanaka factions of the LDP rather than a step toward a new coalition? We do not believe that the NLC action will be supported by the people.

Opposition Must Rise

Leaving that matter aside, the fact that the opposition parties were unable to get into step with each other was because each had its own separate government plan. But basically wasn't it because they just watched the problem of the LDP as a "fire on the opposite shore" from the inertia of the past? It was because they still have not attained the flexibility they need in the LDP-opposition parity age.

The political situation under the second Ohira cabinet will be full of disturbances. It is doubtful whether drafting of the budget for fiscal 1980, which is centered on such immediate problems as administrative reform, enforcement of official discipline and financial reconstruction, will proceed smoothly. If the LDP fights the upper house election with the "Ohira government," there is the strong possibility that the LDP-opposition balance will be overturned.

The various opposition parties should immediately start work to create a system which can adapt to a coalition age.

The struggle for power within the party during the past month was also a frantic attempt by the LDP to escape the seemingly inevitable downfall of its one-party rule brought about by its retention of the outmoded concept of relying on factions and by the corrupt nature of the party. We regret the fact that the only decision it was capable of making was to reelect Prime Minister Ohira.

This was the poorest choice possible, not only for the people but also for the LDP.

What we have repeatedly pointed out since the 7 October general elections was that Prime Minister Ohira's qualifications for office no longer remain.

At this time when the second Ohira cabinet is about to be formed, we are going to state again the reasons why we opposed Prime Minister Ohira's reelection.

1. In the general election, Ohira stressed, "in order to cope with the 1980's, it is necessary for the LDP to win a stable majority." He listed

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as the first objective government by the LDP based on a stable majority, but he was unsuccessful. In other words, the voters refused to give him the base he needed to carry out his policies. As a political leader who lost, he must accept the responsibility for the result.

Not Worthy To Continue

2. Ohira also said that in the general election he would "ask for a popular judgment on what his government had done in the past year." He asked for the voters' evaluation of his political posture and major policies as a whole, including the financial reconstruction policies centered on raising taxes, his handling of the political scandals and irregularities in government offices and public corporations and his stand on administrative and financial reforms. He asked for a vote of confidence on continuing in power. The result was the worst defeat of the LDP since its formation.

3. A political leader is bound to quickly convene a special Diet session after the general election and start a new government. But as a result of the rights within the LDP over the "demand that Ohira step down," there was a standstill unprecedented in parliamentary government history. For that alone he must be held gravely responsible.

4. Backing Ohira in the power struggle between the mainstream and non-mainstream factions and encouraging him to ignore the demands of the opposing forces that he assume responsibility was the powerful Kakuei Tanaka faction. Tanaka, a devoted friend of Ohira's and a defendant in the Lockheed payoff scandal, was very concerned about having Ohira continue in power. It is an open secret within the party that he influenced Ohira's judgment on the political situation and his course of action.

5. According to a recent ASAHI SHIMBUN public opinion poll, support for the Ohira cabinet has dropped drastically to 17 percent. Most of the people have already turned their backs on Ohira. When the government asked the people to endure austerity, trust by the people in government is indispensable. What chance does a prime minister have who has already been abandoned by the people?

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'MAINICHI' Comments

OW100350 Tokyo MAINICHI DAILY NEWS in English 8 Nov 79 p 2 OW

[Editorial: "For Resuscitation of LDP"]

[Text] A month-long intraparty strife of the Liberal-Democratic Party came to an end Tuesday with the reelection of Prime Minister Masayoshi Ohira. The political vacuum that has continued since the 7 October election of the House of Representatives and the showdown between two candidates from

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one party for the prime ministership have clearly shown us how extremely disorganized the Liberal-Democratic Party is. The developments also impressed us strongly of the existence of irresponsible politics.

The people felt deep resentment toward and disappointment over the political vacuum which caused many inconveniences for them. The value of the yen against that of the dollar has declined, anxiety concerning a stable energy supply has remained unabated and few measures have been taken to cope with the price increase.

The most regrettable phenomenon is that we cannot see any sign of self-examination among the politicians who have engaged in a series of mud-slinging in the power struggle within the government party.

The recent development has shown that a collapse is under way in the government party which was near disintegration toward the final stage of the power struggle between Ohira and Takeo Fukuda, former prime minister. We do not believe that the intraparty strife was accidentally ignited by the poor showing of the LDP in the general election.

Since the birth of the LDP in 1955, we have seen many power struggles among intraparty factions. In a way, the factional strifes have given vitality to the party. What has united the factions? The LDP, as the government party, has enjoyed vested interests and abundant financial resources resulting from the high economic growth as well as close political-governmental-financial circle relationships.

With the start of the low-growth economy, the LDP can no longer enjoy such interests or resources and must be aware of the public criticisms toward the political-governmental-financial relations.

The high economic growth changed the voters' sense of values, resulting in delicate changes in various constituencies. The interests of urban and rural districts have become incompatible and the political philosophies of politicians chosen from these districts have become different. Under such circumstances, the "adhesives" which once united party members have lost their effect. If the LDP leadership fails to take the right steps, the tempo of the party's self-collapsing process would be quickened. We believe that many voters who watched the power struggle expected a split of the government party which would enable the emergence of the "era of coalition" and the innovation of postwar politics.

As a matter of formality, Prime Minister Ohira gained a victory over Fukuda, his predecessor, but the very slight difference of votes--135 for Ohira and 125 for Fukuda in the first ballot--indicates the difficulties Ohira may encounter in the future. Judging from the fact that Ohira was able to enjoy the support of only one-half of the Liberal-Democrats in the elections, he is no longer fully qualified as the LDP leader.

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The recent power struggle has given us a chance to think about political leaders. Ohira's politics is claimed to have the basic idea of "trust and agreement." Recent events have shown us that the actual Ohira politics is far from such a concept.

In defiance of criticisms from anti-Ohira factions, Ohira tenaciously stuck to his post. He apparently wants to stay in the post as long as possible. We believe that such an idea is obsolete because politicians with new ideas must take care of political problems in the present age.

Frankly speaking, we believe that the days are gone for such elder leaders as former Prime Minister Takeo Miki, Fukuda, Ohira and LDP Vice President Eiichi Nishimura to take the initiative in the nation's politics. Should the LDP want to restore conservative politics, measures must be taken so that a new generation replaces the elder members.

In order to promote such a generation change, young politicians with firm political concepts must act independently from factions. From among these politicians will emerge new leaders. The future of conservative politics depends on this specific point.

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'ASAHI' Comments of Ohira's Press Conference

OW141339 Tokyo ASAHI EVENING NEWS in English 13 Nov 79 p 5 OW

[ASAHI SHIMBUN 12 November editorial: "New Ohira Cabinet"]

[Text] We listened carefully to the press conference given by Prime Minister Masayoshi Ohira. We wanted to hear what Ohira, who went out of his way to avoid dealing with the people all through the long dispute, would say about his responsibility as a leader and about the character and tasks of the second Ohira cabinet.

The press conference by the prime minister should be a conversation between him and the people with reporters serving as the middlemen. It is the natural duty of the prime minister to willingly discuss his political beliefs.

But our feeling is that the prime minister did not say what he should have said to the reporters and to the people. Although he hung on to political power by dint of his influence, he apparently is entering the second Ohira age with no determination to guide the nation steadily and no executive ability.

Political Reform

The starting point of the second Ohira cabinet lies in how it will assume responsibility for the defeat in the general election for the lower house.

12a

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This cabinet should also be held responsible for doing nothing to overcome the deterioration and stalemate in politics and administration, for having carried out dissolution of the lower house and the general election for the purpose of hanging on to political power and for having had its appeal for a "stable majority" rejected by the voters.

Ohira did not touch at all on these basic issues and only apologized to the people for the "administrative stalemate" due to the dispute within the Liberal-Democratic Party. Was it all right to leave the question of retention or resignation of the top leader, which should have been based on his own superior judgment, up to discussions and power relations with the party? An apology which does not reply to all these issues is a farce.

It is hardly unexpected that Ohira did not discuss measures to correct the distortions and deterioration in the administrative branch of government, beginning with the financial irregularities in the Japan Railway Construction Corporation. That he did not clearly deny Justice Minister Tadao Kuraishi's statement about his hopes that the Lockheed scandal defendants will be declared not guilty proves that he has not seriously thought about the political corruption which has become rampant during the many years of rule by the conservative party.

As for steps to impose official discipline and establish political morality, Ohira says they will be taken in line with proposals by the council on measures to prevent aircraft and other scandals, which includes non-governmental intellectuals. But he avoids responsibility by saying that the important purification of government and elections is the responsibility of the Diet and is not a problem on which the cabinet should take the initiative. The proposals are being used as a cover, and we can't see that Ohira has any intention of carrying out political reform.

It seems to us that this new government has the same old ideas.

Administrative Reform

Then what about future policy problems? As for the compilation of the fiscal 1980 budget, which is the first task facing the new cabinet, Ohira said, "We want to make the contents appropriate for the first year of financial reconstruction." He emphasized taking advantage of the natural increase in tax revenues to reduce the amount of government bonds issued, curtailing expenditures, remedying the inequalities in the current tax system and carrying out administrative reform. These programs were all suggested in the past.

He had said, "As a rational conclusion, when the amount of deficit government bonds cannot be reduced even after various steps have been taken, we cannot help but ask the people to shoulder a heavier tax burden." This time, however, he did not discuss this conclusion, saying, "It would only create misunderstanding."

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This is only natural as long as he has given up the idea of introducing a general excise tax. Instead of considering another tax, he should restudy government spending, including administrative reform, and revision of the unfair tax system.

At the first cabinet meeting on 9 November, Ohira issued instructions on 11 points concerning official discipline among government employees and reform of the administrative and financial systems. Director-General Sosuke Uno of the Administrative Management Agency outlined his determination, "It is now the chance for administrative reform. There is only execution."

In the budget committee in February this year, Ohira had cold feet concerning administrative reform, replying, "Even if politicians try to carry out reform, the bureaucrats are stronger." But we would like to consider that he changed his thinking with the start of the second Ohira cabinet. Still, nothing can be accomplished just by instructions and determination. The main thing is whether the steps are implemented.

There tends to be opposition from the government offices and organizations concerned to administrative reform and reduction or elimination of subsidies. There is no guarantee that Ohira's own party will not try to protect established rights. No matter how enthusiastic the director-general of the Administrative Management Agency is, he alone cannot achieve results since there are matters which concern many ministries and agencies.

The country needs a strong leader who is determined to knock down all obstacles to reform. He should be interested in this issue to such an extent as to act as if he himself had become the director-general of the Administrative Management Agency. Ohira should draw up a concrete draft for reform and should take the lead in implementing it.

Since a certain natural increase in tax revenues can be expected in fiscal 1980, it may be possible to draft the budget while reducing the amount of government bonds. But the structural revision of finance in both the revenues and expenditures must not be carried out in a halfhearted manner because of this.

If no real effort is exerted in the cause of administrative and financial reform and if the general excise tax is brought up again in fiscal 1981, the government will have been deceiving the people.

Tackle International Problems Seriously

We were disappointed because the prime minister barely touched on international problems at the press conference, although it was held without giving him enough time to recover from fatigue resulting from the intra-party strife. On diplomacy, he touched only on two or three of his schedules. As for the security issue, he did not say a word. We believe that Ohira probably is the first prime minister who has been so unconcerned about international issues at the first press conference held after the formation of a cabinet.

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The awareness of how severe an international environment Japan is placed in at present should be the basis for the mapping out of various important domestic policies. In the respect, we feel that as the prime minister of Japan, which is in an age of internationalization, Ohira should have expressed his views more positively on diplomatic problems, even if there were no questions asked.

We believe that he should have at least talked about some of the problems of concern to the people, such as how he views the political situation in the Republic of Korea, the relations between Japan and South Korea from now on and the recent situation in Iran as well as how he intends to promote the mending of diplomatic ties between Japan and the Soviet Union.

The prime minister also failed to clarify what he plans to discuss with the Chinese leaders when he visits Beijing in December or how he intends to eliminate friction in Japan's trade relations with the United States and European countries. Premier Ohira must have given the impression both at home and abroad that he is an extremely introverted, passive politician.

Because he is known internationally for activities, particularly on economic and North-South problems, Saburo Okita, the new foreign minister, is one of the few exceptions in the second Ohira cabinet which is wanting in freshness. The fact that he once ran in an election as a candidate from the New Liberal Club indicates that he is critical of the Liberal-Democratic Party's policies, including its diplomatic stance. A man like this could become an asset to the Ohira government.

But unless Ohira himself becomes really serious about international problems, the foreign minister will not be able to use his abilities to their fullest. Particularly in the case of recent foreign policy problems, there are many which cannot be solved without the cooperation of the economic ministries, such as the Finance Ministry, Ministry of International Trade and Industry and Agriculture, Forestry and Fisheries Ministry. On this point there probably will be many cases where the foreign minister, who does not have a seat in the Diet, will be placed in straitened circumstances. Everything depends on the political leadership of the prime minister.

Crumbling of One-Party Rule

Such unreliability in political leadership ideas and in the policy field seems to indicate that the new cabinet is not really capable of handling the present situation but it is an attempt by the LDP to prevent the crumbling of its one-party rule. That Ohira considered giving a cabinet post to the New Liberal Club when forming his cabinet can be considered a stopgap measure to bring in a close opposition force to supplement itself in the face of the political situation which will deteriorate further from the ordinary Diet session to the upper house election next year.

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Despite this effort, the end of the one-party rule age now appears as a reality before our eyes. It is an age of new leaders and reorganized party strengths.

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POLITICAL AND SOCIOLOGICAL

JCP SECRETARIAT CHIEF DENOUNCES NEW OHIRA CABINET

OW091027 Tokyo JPS in English 0859 GMT 9 Nov 79 OW

[Text] Tokyo, 9 Nov, JPS--Tetsuzo Fuwa, secretariat chief of the Japanese Communist Party [JCP], issued a statement, severely criticizing the second Ohira cabinet formed on 8 November. The full text of the statement follows:

(1) Prime Minister Ohira has just ended the formation of the second cabinet. The abnormal way of forming the cabinet at this time indicates the deepening crisis of the Liberal Democratic Party, as the cabinet was formed by disregarding the aggravation of the people's crisis and their demands. The LDP gave a whole month to gruesome power struggle, and only 27 percent of vote for Masayoshi Ohira were cast in the premiership election. In addition, faced by the intra-party factional strife, which has further intensified after the nomination for the prime minister was made, the appointment of the cabinet posts was steamrolled, glaring at the "anti-mainstream faction," and with the appointment of the three top ranking executives of the LDP (secretary general, executive chairman, and policy board chairman) being postponed.

The second Ohira cabinet is the product of disarray in the LDP, and is nothing but a cabinet growing the contradiction [as received] with the people.

(2) The list of ministers is dressed with a "rejuvenated cabinet" with the appointment of many new faces, but this is a distribution of ministerial posts on granting rewards for service rendered, and the old fashioned factional dynamics.

The outstanding feature is that the key posts are held by members of the Tanaka faction, such as the finance minister, and that the shadow of Kakuei Tanaka, who stakes his rehabilitation on the continuation of the Ohira government, is darkly cast over the new cabinet. Saburo Okita, who had stood in the House of Councilors election on the New Liberal Club ticket and was defeated, was appointed foreign minister. This seems to be a manifestation of a scheme to improve relations with the groups supplementing the conservative forces for the unstable Ohira administration.

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(3) During the "political vacuum" of one month, the LDP government has made preparation, in disregard to the people's judgment (in the general election), for tax increases, raising public utility charges, and cuts in welfare, for the antipeople reconstruction of the finances, and to take part in the joint military exercise of the Pacific basin countries (RIMPAC). Although the second Ohira cabinet holds these contradictions and weaknesses in its foundation, it can safely be said that it will push ahead with the reactionary policies.

The JCP demands that the prime minister give a policy speech in the special Diet session, and all parties make a representative questioning of the speech. Through the debate with prime minister in the Diet, the JCP will expose the reactionary and anti-people essence of the Ohira government, and will carry on the resolute struggle for a true progressive change in the administration.

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POLITICAL AND SOCIOLOGICAL

'JPS' NOTES REACTIONARY LINE OF NEW OHIRA CABINET

OW091021 Tokyo JPS in English 0854 GMT 9 Nov 79 OW

[Text] Tokyo, 9 Nov JPS—The second Ohira cabinet started on 8 November. Although it gives an appearance of an intra-party factional balance, key cabinet posts in the new cabinet are held exclusively by the Ohira and the ex-Premier Tanaka factions, the mainstream factions of the Liberal-Democratic Party.

To the post of chief cabinet secretary of the new cabinet, the leader of the Ohira faction, Masayoshi Ito was appointed; to the post of finance minister, which is watched carefully as Prime Minister Ohira is planning to force tax increases, the Tanaka factions' chieftain, Noboru Takeshita; and the post of international trade and industry minister, the Ohira faction's Yoshitake Sasaki. As is exemplified by these appointments, key ministry posts are exclusively held by the Ohira-Tanaka confederate. A shameless grant of rewards was made in the appointment of two posts of the minister of agriculture-forestry-fishery, and the minister of transportation, selecting two LDP Diet members out of those who voted for Ohira in the Diet selection of prime minister, although belonging to the anti-mainstream factions.

The Ohira government has openly maneuvered for introduction of a small constituency system and a political party law, and now the post of home affairs minister, who directly handles these affairs, has gone to the Tanaka faction's Masaharu Gotoda, who has persistently worked to introduce a small constituency system.

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POLITICAL AND SOCIOLOGICAL

'ASAHI' VIEWS COALITION ISSUE IN JAPAN

OW191800 Tokyo ASAHI EVENING NEWS in English 17 Nov 79 p 5 OW

[Article by Kiyoshi Ebata, adviser to the ASAHI SHIMBUN Editorial Board:
"Toward the Era of Coalition Government"]

[Excerpt] In his plans for his new cabinet, Prime Minister Ohira included the idea of bringing the New Liberal Club into a coalition government. Ohira has realized quite early that the trend of politics in the 1980s will inevitably be toward coalition politics. In this case, however, the timing was miscalculated.

The LDP's painful experience in the October election, caused by Ohira's costly blunders, indicates what can be expected in the House of Councillors election in June 1980. In the 1974 upper house election, the LDP put up too many candidates and saw many of them defeated as they fought each other instead of rival party candidates for votes.

To avoid this kind of mistake, the LDP will probably be more selective this time and field fewer candidates. On the other hand, among the opposition parties, the Socialist, Komeito and Democratic Socialists are aiming at increasing their seats by concluding joint working agreements.

Neither the LDP nor the opposition can expect to secure an overwhelming victory next June and I expect that the result will be nearly even division of seats, as in the lower house. Still, there is the definite possibility of a reversal of the balance of power in favor of the opposition in the upper house in the first three years of the coming decade.

If a situation like this develops, some kind of coalition government of the LDP and the opposition may emerge. The June 1980 upper house election could very well usher in the era of coalition government.

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The political situation since the October election has given the people the impression that a breakup of the LDP would not be a surprising event. If the LDP were to break up into two or more parties like the opposition parties and sought to form alliances or coalitions with them, this could help to bring some more sense into politics.

Contrary to what the public generally thinks, Prime Minister Ohira, to my knowledge, is quite serious about stopping corruption and undertaking measures for economy in government through "administrative reform." But though he may be working to formulate quickly measures for these purposes, it remains to be seen whether he can do much to improve the LDP's public image before the June 1980 upper house election.

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OKITA HOPES TO VISIT UNITED STATES SOON FOR TALKS WITH VANCE

OW120643 Tokyo ASAHI EVENING NEWS in English 10 Nov 79 p 1 OW

[Text] Foreign Minister Saburo Okita said Friday that he intends to go to Washington at the earliest possible date for talks with U.S. Secretary of State Cyrus Vance.

In making the remark in an interview with the ASAHI SHIMBUN, Okita described relations with the United States as the cornerstone of Japan's foreign policy.

Okita, an internationally known economist, called for the untying of Japanese credits to China.

He said Japan should go ahead with the planned governmental investment in the Mitsui Group's petrochemical project in Iran despite the political unrest in that country.

The foreign minister, the only member of the new Ohira cabinet without a seat in the Diet, called for efforts to double Japan's official development aid to developing countries in the next five years.

The Foreign Ministry has begun studying the date of Okita's visit to Washington. A trip in mid-December or in January next year is favored.

Okita told the ASAHI that there is now no problem between Japan and the United States that requires immediate attention, but an early warning system must be created to deal with fiction promptly before it becomes serious.

To this end, he said he will make active use of the Japan-U.S. Wisemen's Group, which he had been scheduled to join before being appointed to the cabinet.

As reasons for his call for the untying of credits to China, which he qualified as a personal view, Okita named the Western countries' concern about a possible Japanese monopoly of the Chinese market and noted that strings

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are apt to make a recipient nation feel that it has been forced to buy commodities at high prices. He also pointed out that strings could result in shady deals.

The United States has requested the government to unite credits to China. But the Ministry of International Trade and Industry, representing the interests of domestic industries, maintains that strings must continue to be attached.

In other remarks in the interview, Okita said Japan should increase constructive expenditure such as economic aid to other countries, rather than spend more for defense, that a concession in the territorial dispute with the Soviet Union is out of the question, but he will strive to improve relations with that country in other areas, and that he intends to do what he can to help create an international environment conducive to a dialogue between Seoul and Pyongyang.

He expressed doubt about the propriety of taking up human rights violations in other countries as a subject of direct diplomatic pursuit.

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'DAILY YOMIURI': MAJORITY OF JSP FAVORS OPPOSITION ALLIANCE

OW071511 Tokyo THE DAILY YOMIURI in English 5 Nov 79 p 1 OW

[Text] About 70 percent of the 106 Socialist Party (JSP) members of the House of Representatives favor allying with the Komeito and other opposition parties to establish a new government, according to a recent YOMIURI SHIMBUN survey.

The JSP has officially decided on the new strategy to replace the present regime of the Liberal-Democratic Party (LDP).

Under the JSP's plan, the JSP and the Komeito will play a major role in establishing and operating a new government.

The JSP and the Komeito are the No 1 and No 2 opposition parties.

The YOMIURI SHIMBUN interviewed all 106 socialist members of the lower house to determine how many favored the plan and found that 65 of them favored their party's alliance with the Komeito or with both the Komeito and the Democratic-Socialist Party (DSP).

Another 29 said that the JSP should present a joint front with all other opposition parties and one said that the JSP should join forces with the Communist Party (JCP).

Eleven of the 29 socialists who favor party with all other opposition parties acknowledged that it would be unavoidable for the JSP and the Komeito to play a leading role in the joint struggle of the opposition parties.

This means that all told, about 70 percent of the JSP members of the lower house agree to the idea of the JSP and the Komeito Party taking the vanguard in the proposed movement to oust the LDP-operated regime with a new coalition government of opposition parties.

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Leaders of the JSP intend to make a formal proposal to the Komeito to "create an arena for debate for the formation of a new regime of opposition parties."

JSP leaders take note of the fact that the majority of the lower house members of the party support its policy.

Whether the JSP's plan will succeed has an important bearing on the outcome of the House of Councilor's election scheduled for next summer and the political situation after the election.

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ECONOMIC

IRANIAN WORKERS BESIEGE JAPANESE OFFICE, DEMAND PAYMENT

Tokyo SHUKAN SHINCHO in Japanese 1 Nov 79 pp 36-39

[Text] It was 0700 14 October 1979 (Sunday) Japan time. The weather was fine for the first time in many days and a former company director was planning to go golfing when he was unexpectedly detained by a telephone call from an acquaintance assigned to Tehran, capital of Iran.

The gist of the phone call from Tehran, which took 45 minutes, was as follows:

"Sorry to bother you. Appealing to you will not help us but I do not know to whom I can appeal so please listen to what we Japanese in Iran have to say. I have heard that in Japan it was decided to use national tax money to resume construction (Note: cabinet decision on the 12th), which Mitsui & Co., Ltd. [Mitsui] failed to accomplish, of the Iranian petro-chemical plant (Note: the Irano-Japan Petroleum Corporation [IJPC], a joint company with Iran). Ezaki, Ministry of International Trade and Industry [MITI] Minister, is visiting Tehran. But do you think such a venture will succeed?

As a matter of fact, a terrible thing is happening now in Tehran. A large number of Iranian laborers have besieged the Tehran office of Fudo Construction Co., Ltd. [Fudo] which is doing subcontract work for Mitsui on IJPC, and are persecuting four Japanese, including the resident manager. They are demanding immediate payment of layoff compensations totaling 8 million rials (approximately 24 million yen). If Fudo makes such compensations, they will make the same demands of other Japanese companies one after another. If Fudo gives way, there is no telling what they will demand next, even if the IJPC plant construction is resumed. Since the February revolution, manpower costs have risen 30 percent. With such worries in my mind, I hurried to the Fudo office. There, I was taken by surprise. The company's four employees had already been held in captivity for nearly 15 hours, since yesterday morning, but Mitsui and the Japanese embassy had feigned ignorance...what time is it here? It is 0130 of the 14th. I tried my best to mediate and prevented the worst from happening, after which I went home, but the four Japanese are not likely to be released soon...."

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The telephone call from Tehran did not end here.

"What is Mitsui doing? That is the problem. They are having a big party to welcome Ezaki. Ambassador to Iran Wada is also present. Since all of the newspaper reporters are also invited to the party, no shred of news regarding the captivity will probably be reported in Japan.

"During the regime of former Shah Pahlavi, Mitsui arrogantly boasted that 'we are going to accomplish this task in place of the Japanese nation.' They bribed the Iranian Government and bragged to the Japanese contractors ... Japanese entrepreneurs prayed at the feet of Mitsui. Heretofore, Mitsui took most of the margin from these entrepreneurs. They keep their profits and are now asking for tax money. No Japanese here will look favorably again at Mitsui. Even the Iranians are aware of Mitsui's actions during Pahlavi's regime. It's anyone's guess as to when IJPC will be nationalized."

Well, the story is that this "righteous indignation" had continued for some time.

After 32 Hours of Captivity

The four Japanese employees of Fudo were held captive from 0800 on the 13th to 1600 on the 14th (Iran time) or a total of 32 hours. Ironically, this is about the same period that Minister Ezaki and party were in Tehran.

On the evening of the 13th, through the auspices of Mitsui, a gala Japanese party called "Welcome to Minister Ezaki" was held at the Hilton hotel in Tehran. In addition to Minister Ezaki, MITI Trade Policy Bureau Chief Miyamoto, Deputy Director General Furuta of the Agency of National Resources and Energy, and Middle Eastern and African Affairs Bureau Chief Chiba of the Foreign Ministry, who accompanied Ezaki, were present at the party. Ambassador Wada and embassy staff members were also present. Approximately 60 Japanese residing in Iran were also there and a large number of them were Mitsui representatives in Tehran. According to a Japanese in Iran who attended the party, the Islam religion absolutely forbids alcohol and therefore, to call the party a "gala" might be an exaggeration. They toasted with juice and cola and the "food was so-so." But even so, this type of a party was a "lavish one" and "the first in Tehran since the revolution."

Tehran resident manager Wataru Shibata of Fudo, who had been held in captivity for 32 hours, was one of those who had been invited to the party.

"It was the morning of the 13th. Forty-five Iranian laborers suddenly appeared in our office. I was about to leave in a car but they pounded on the hood and ordered, 'You Japanese return to the office.' They were laborers who had come from Bandar Khomeyni, where the IJPC combinant is located, and were wearing turbans and sandals. They were southerners and many of them were of black Arabian color.

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"They did not use violence but they surrounded us and shoved their demands in our faces. In chorus (Sprechchor), they shouted 'pay money' in the Persian language. They cut the telephone lines and made it impossible to contact outsiders. I was scared." [Statement of Fudo resident manager Shibata.]

It is said that they carried a directive, "pay layoff compensations to these people," which was published by the "Abadan Labor Committee" of Bandar Khomeyni. The total payment was for 80 persons and 24 million yen in Japanese money. According to Fudo books, the employment contract with them had expired in December of last year and they had been "given termination pay."

In spite of that, they had been held captive for 32 hours. During that period, a member who had been permitted to go outside to purchase food-stuffs, made an SOS call to the Japanese embassy and Mitsui. However....

"The embassy personnel said, 'a minister is here from Japan and we are too busy,' or 'for the present, your lives are not in danger, is that right?' and refused to help. They did not even contact the police. As for Mitsui, they sponsored the party and 'congratulated themselves that the enterprise had become a national one.' They did not try to contact us. It was disheartening." (Statement of Fudo manager Shibata.)

The Hidden Aim of Mitsui?

The Iranian laborers, who reappeared in Tehran a week later, carried a "compulsory enforcement directive" from the Abadan District Court Office. The directive ordered that "unless payment were made by the deadline, arrests will follow."

The frightened Fudo procured the money in a hurry and proceeded to the district court office.

"This is like receiving the termination pay twice. From the Japanese standpoint, there is absolutely no need to pay this money. We also feel highly indignant about paying this money. The social conditions of Iran, however, are not that stable. The laborers want to take as much as they can get. It so happened that our office was open when many enterprises had closed their doors. We became their target. If Mitsui reopens IJPC, the Iranians will besiege them. In this unsettled situation, the only ones we can rely upon are the Japanese embassy staff but during the revolution, they were the first ones to run away. We have the deepest hatred for them." (Statement of manager Shibata.)

Demands of this type of layoff compensation (Note: there are some who say, "requests from laborers who have terminated their employment, as in the case of Fudo, are exceptional") against 12 Japanese enterprises in Iran total 500 million yen. Are such unreasonable demands being made because

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the society is under a revolutionary, dictatorial regime? Visiting researcher at the Iranian Philosophical Academy, Hajime Igarashi (presently back in Japan because of the revolution), says:

"Because Iran does not have labor-related laws, there are no regulations covering strikes and layoffs. In September of last year, there was an anti-Pahlavi strike at IJPC. In the midst of the strike, Iranian laborers came to the company and asked for their pay. The companies were forced to come up with a plan to pay wages to those who did not work and bonuses to those who did. It is common in Iran to ask for pay whether they are laid off or not reporting to work. One of the teachings in the Koran is 'those who possess should bestow blessings' and the Iranians are utilizing this 'to take without hesitation from those who possess.' There are some revolutionary committee members, however, who do not recognize such demands so there are no standards in Iran after the revolution. There is only confusion."

Among the Japanese residing in Iran, some say "even if IJPC resumes as a national enterprise of Japan, there is no telling what the Iranians will demand. The outlook is not only bad but extremely dark." Others claim, "neither the Japanese embassy nor Mitsui informed the Japanese Government about the serious situation and made it appear that Iran was safe." Reportedly, such charges are rampant now.

According to the Japanese cabinet decision, another 180 billion yen will be granted to IJPC, in which Japan and Iran have already invested 500.5 billion yen. Of the Japanese outlay, government subsidy amounted to 20 billion yen and loans from the Export-Import Bank of Japan and others totaled 80 billion yen....

"I think that Mitsui really knows best that IJPC's future is hopeless from the standpoint of profitability or any other standpoint. Mitsui is saying that IJPC will definitely be in the black in the years ahead but I think that inwardly, Mitsui has other thoughts. They are saying that rather than continue any unfavorable relation with Iran, they should complete IJPC which is already 85 percent finished and have the Iranians take over the corporation stocks at market value. If the Iranian side nationalizes and seizes the plant, Mitsui can get away by pleading a case of force majeure. Even if the combinant is completed and produces goods, there is no sales outlet for the products. Iran's domestic consumption is limited. If the products are imported by Japan, domestic makers will face competition. What can we do?" (Statement of aforementioned Igarashi.) "The labor situation was chaotic immediately after the revolution but it is settled now. There is absolutely no chance that the plant will be nationalized upon completion. Because of that, the Japanese Government participated." So says Mitsui.

The Fate of Oil Dependent Diplomacy

Under these circumstances, the question is raised as to why the Japanese Government decided upon an investment with so many risks? A certain high

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official of the Finance Ministry, which is said to have been reluctant to the last among government agencies to make the outlay, states:

"As long as the nation is investing, it must make the payments. There is the question of future profitability but we are not even certain that Khomeyni (leader of Iran's revolution) intends to see the project to completion. The Iranian Government says that it will definitely not nationalize but the Finance Ministry wanted an official understanding between the two governments. It is said that a memorandum from Premier Bazargan has reached the Foreign Ministry but....

"What we feared most was being told by Iran that 'well, forget it, but in return, we shall not provide oil.' Because of that, we came around to the decision to complete the remaining 15 percent of construction. It is a form of bribery. There might be arguments as to the sum of 20 billion yen for bribery but should the enterprise succeed, Japan would be highly evaluated, even in Iran, for being the only country to remain and finish the project, after all the European countries and United States had evacuated. For a country without natural resources, Japan had no choice but to try."

Oil is mentioned as the problem. Speaking of oil, OPEC chairman and Minister of Petroleum and Mineral Resources of the United Arab Emirates, Otaiba, was given an unprecedented welcome by the government and people when he visited Japan recently.

The government arranged an Imperial audience, the first since Petroleum Minister Yamani of Saudi Arabia, for a cabinet level official visiting Japan. Furthermore, he was presented with the First Class Order of the Sacred Treasure, a decoration which even Yamani could not get. Newspapers and TV stations competed for interviews with Otaiba. Among them, Fuji TV acted as though it were a medium for the government by asking "will you continue giving us oil in the future?" Otaiba was bewildered by a woman interviewer's remark that "Japanese wives in Hokkaido are having a difficult time because of kerosene shortage." Ultimately, he severely criticized Japan's wastage in oil consumption. In an interview, he said, "support Arab's anti-Israel movements" but what he really meant by that statement was for "Japan to cut off relations with Israel." If those who bickered for oil with Otaiba are willing, at his request, "to sever relations with Israel," that is another story. It can be said that by shouting for oil alone, without considering today's world situation which is buried under the oil problem, Japan might fall into a terrible "pitfall" of world politics. It is hoped that Japan will not have to deeply regret the situation someday of seeing no increase in the vital oil supply after having been utilized at will by the oil producing countries, whether in Iran's IJPC project with poor "guarantees" or in the "all-out Japanese welcome" for Otaiba.

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ECONOMIC

HUMAN ERROR, U.S. PART BLAMED FOR NUCLEAR PLANT ACCIDENTS

OW151058 Tokyo ASAHI EVENING NEWS in English 14 Nov 79 p 3 OW

[Text] The resources and energy agency of the Ministry of International Trade and Industry reported to the Nuclear Safety Commission Monday that the leakage of large amounts of primary cooling water at the No 2 reactor in the Takahama nuclear power plant of the Kansai Electric Power Co. on 3 November was due to a mistake made by a worker when he attacked a part.

The agency also reported to the NSC that checks up to Monday had shown there were no problems in other boiling water type and pressurized water type reactors.

The NSC ordered the agency to take drastic remedial steps.

The agency reported to the NSC that the following stop-gap steps will be taken until more drastic remedial steps can be taken: (1) When giving permission for work on nuclear power plants, a prior check will be made on quality guarantee plans; and (2) at regular inspection time, a prior check will be made on quality guarantee plans for major repairs and renovations.

According to investigations by the agency, it had been learned that the stopper, which covers the hole for attaching the primary coolant temperature meter, was made of a copper alloy instead of stainless steel so that it was unable to withstand the high temperature and pressure it was subjected to.

In May this year three temperature meters were removed to inspect a valve near the meters, and these meters were reattached on 11 September. At that time, four meters were attached from the bottom upwards, and a stopper was put into the hole of the meter at the very top. At that time a worker of Kansai Electric Power mistook a brass stopper, which he found in the tool box, for a stainless steel one and attached it.

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This brass stopper will break down after anywhere from several hours to 200 hours if subjected to pressure of 157 and temperature of 300 degrees C. In the case of the Takahama nuclear power plant's No 2 reactor, the stopper was subjected to pressure of 157 and temperature of 324 degrees C and split after several dozen hours.

In connection with the accident, Kansai Electric Executive Director Shunichi Hamaguchi said Monday, "At first, we had thought that the copper alloy stopper had been mistakenly attached when the reactor was constructed, but the investigation showed that a worker had mistakenly used the stopper after the regular inspection. We will strengthen our quality control system. We will keep a stricter watch on the number of parts and will place stainless steel parts and copper alloy parts far apart so they will not be mistaken."

The agency also reported to the NSC Monday that the accident at the No 1 reactor of the nuclear power plant of the Kansai Electric Power Co. in which the emergency core cooling system operated in July this year was due to the American maker attaching a stainless steel label to a copper alloy part.

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ECONOMIC

JAPANESE AGENCY SAYS ECONOMY HAS REACHED PEAK

OW151101 Tokyo MAINICHI DAILY NEWS in English 14 Nov 79 p 5 OW

[Text] Keijiro Shoji, director general of the Economic Planning Agency (EPA), indicated Tuesday that the domestic economy has reached a turning point after steady expansion for past months.

Shoji gave the indication when he presented a monthly EPA report on domestic economic conditions to a meeting of economic affairs ministers. "The domestic economy has so far been continuing steady expansion on the whole," he told the meeting.

This marked a delicate change in the EPA's view on domestic economic conditions. Until last month, the agency said that the domestic economy was definitely expanding.

Shoji also told the meeting that wholesale prices are continuing to rise at a fairly fast tempo due to rising oil prices and depreciation of the yen against the U.S. dollar.

This is the first time the EPA has said in its monthly report the yen's depreciation was behind the continuing rise in wholesale prices.

In this connection, the latest EPA economic report stressed the need to implement policies with a greater flexibility to contain the wholesale price increase.

The EPA report indicated it is necessary to keep a close watch also on consumer prices. It has so far said that consumer prices were "stabilized," but the latest report said they were stabilized "on the whole."

The latest report also said that Japan's exports have been recovering while the growth of imports has been slowing down.

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33
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ECONOMIC

OHIRA TO OFFER LARGE-SCALE LOAN TO CHINA

OW191201 Tokyo MAINICHI DAILY NEWS in English 18 Nov 79 p 1 OW

[Text] When he visits Beijing next month, Prime Minister Masayoshi Ohira is likely to offer to China a large-scale yen loan to be extended in cooperation with Chinese modernization programs, it was learned Saturday.

The loan will be extended over a period of three to six years with the annual amount averaging some 60 billion yen, according to a Foreign Ministry source.

Ohira is planning to visit Beijing on 5 December at the invitation of the Chinese Government.

In making preparations for Ohira's trip to Beijing, the Foreign Ministry has been drawing up the loan program, but has not reached a conclusion as yet on specific terms and conditions of the loan-interest rate, period of repayment, etc., because of the prolonged intraparty struggle of the Liberal-Democratic Party (LDP).

The ministry has thus decided to recommend that Prime Minister Ohira offer a loan on conditions that an official loan agreement would be concluded in the future.

This is very unusual for the Japanese Government in extending a loan to a foreign country.

According to the Foreign Ministry's plan:

- 1) Japan will extend a loan within a certain framework to Chinese projects without a feasibility study on the Japanese side if the Chinese side proves that they are feasible and well-prepared;
- 2) Conditions and terms of the loan will not be specified (at the time when Ohira offers it). Those will be fixed when an official loan agreement is concluded in the future; and

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3) The amount of the loan will be an annual average of some 60 billion yen. The loan will be extended successively for three to six years.

China had officially requested that Japan extend a yen loan to assist its modernization programs when Chinese Vice Premier Gu Mu visited here in early September.

Since then the Foreign Ministry has been studying the problem on the assumption that the Japanese Government should accept the request for political considerations, but it has failed, because of the LDP's intraparty strife, to work out the conditions and terms of the loan in detail by the time Ohira visits Beijing.

The ministry has thus come to the conclusion that Prime Minister Ohira should offer the loan in Beijing without specifying conditions and terms, the Foreign Ministry source said.

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ECONOMIC

ORGANIZATION TO HELP PRC IMPROVE PRODUCTIVITY

OW061325 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Nov 79 Morning Edition
p 1 OW

[Excerpts] At the request of China which wants to "learn the secret of business management from Japan whose productivity is markedly high among capitalist countries," the Japan Productivity Center [JPC] (headed by President Kohei Goshi) has agreed to help China improve its business management and productivity. Under the agreement, Japanese business leaders will be sent to diagnose China's problems in business management and Chinese business managers will be invited to Japan for training in Japanese business management. A basic agreement on this has already been reached between the JPC and the Enterprise Management Association under the Chinese State Economic Planning Commission (headed by Vice-Premier Yu Qiuli).

In September a delegation of the Chinese Enterprise Management Association led by Ma Yi, vice minister in charge of the State Economic Planning Commission, visited Japan and received 10 days of training at the JPC on ways to promote a movement for enhancing productivity and in business management and also toured plants to observe the movement for increased productivity. Through the training and observation, China showed deep interest in the way Japanese enterprises manage their business and increase productivity and asked the JPC for their cooperation.

Specifically, the Chinese association requested the following: 1) Japan to send 100 to 200 experts to China during the next 1 and half years beginning next year; 2) Japan to accept 30 Chinese for training as consultants; 3) Japan to accept 6 teams (a total of 150 persons) of top Chinese managers, workshop heads and leaders of the enterprise management association for approximately 2 weeks to 20 days of training; 4) Japan to send consultants to China to diagnose problems and provide training at Chinese companies and plants; and 5) Japan to bear part of the expense required for this technical cooperation program. Through this program China wants to train about 10,000 business managers.

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The JPC has decided to accept most of the Chinese request and has presented its own cooperation plan. According to the plan, a "friendship delegation of business managers" led by Nissan Automobile Company president, Katsuji Kawamata, will be sent to China for a 2-week visit in March of next year. The JPC will accept a total of 8 teams--each comprising about 15 members--from January next year to March 1981 and give them a month's training.

The JPC will also send 40 mid-level managers to China around August of next year for a 2-week visit and in February and March of 1981, will send a "delegation of managers" consisting of between 20 and 25 managers above the level of department chief to China. Then in October of next year, a "Japan-China friendship productivity ship" will take some 400 mid-level managers to tour major coastal cities, including Shanghai and Tianjin.

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ECONOMIC

KUWAIT BUYS 35.5 MILLION SHARES IN THREE JAPANESE FIRMS

OW111159 Tokyo THE JAPAN TIMES in English 9 Nov 79 p 5 OW

[Text] In a move believed to signal the start of substantial investment in the Japanese stock market by Mideast oil-producing countries, the Kuwaiti Government has acquired a total of 35.5 million shares of common stock in three major manufacturers of electric machinery, it was learned Thursday.

Hitachi Ltd., Toshiba Corp. and Mitsubishi Electric Corp. confirmed that Kuwait had become their stockholders in the name of the London office of the Kuwait Government.

Kuwait, which owned 8.49 million shares of Hitachi common stock at the end of March, increased its stake to 10.5 million shares, 0.5 percent of total Hitachi stock outstanding at the end of September.

The Arab nation also purchased 13 million Toshiba shares, 0.9 percent of the total, and 12 million Mitsubishi shares, 0.6 percent, as of 30 September. Kuwait previously had no equity interests in those two companies.

The Kuwaiti investment was brought to light as it sought the transfer of stock following the close of accounts for the April-September period, the first half of the companies' current 1979 financial year.

Mideast oil producers have been investing surplus oil revenues in overseas stock and bond trading but without identifying themselves.

Kuwait is investing in British stock openly through the London office.

But it was the first time that a Mideast investor had been identified in the Japanese securities market.

Industry sources said other Mideast oil producers could step up their portfolio investment in Japan following the lead of Kuwait against the background of ballooning oil incomes.

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ECONOMIC

BRIEFS

SINGAPORE PLANT ORDER--Nikki announced on 22 October its receipt of an estimated yen 40 billion order from Petrochemical Corporation Singapore (PCS) for an ethylene plant with an annual capacity of 300,000 tons. The corporation which is a half year behind its original schedule is a joint venture of the Singapore Government, Sumitomo and other Japanese petrochemical firms. The plant order is viewed as the first sign of physical progress in the venture. [OW250643 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Oct 79 Morning Edition p 2 OW]

BANK VENTURE IN BUDAPEST--The Taiyo Kobe Bank and the Long-Term Credit Bank of Japan have tentatively decided to be partners in the "International Bank of Central Europe" to be established next month in Budapest as a joint venture. Other partners are the National Bank of Hungary and banks from four West European countries--West Germany, France, Italy and Austria. Taiyo Kobe and Japan Long-Term Credit will be the first Japanese banks to open business in East Europe. The Japanese financial ministry's license is expected in early November. Officials of the two banks said they will be furnishing the new bank with operational funds in the future. [OW011052 Tokyo ASAHI SHIMBUN in Japanese 27 Oct 79 Morning Edition p 9 OW]

SOVIET ADVERTISING CORPORATION--The All-Union Trade Advertising Corporation of the USSR will soon sign a contract with the Sapporo-based Japan-Soviet Trade Company, designating the latter as its agent general in Japan. The Soviet corporation expects \$300,000 in revenue for the first year under the contract. It has been active in soliciting Japanese advertising in the USSR. Under the contract, the Sapporo company will, among other things, serve as a contact point for Japanese firms to hold "commercial technical symposiums" in the Soviet Union and will give Soviet officials direct briefings on their products. [OW011052 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Oct 79 Morning Edition p 7 OW]

OPP FILM PLANT TO HUNGARY--The Mitsubishi Petrochemical Company of Tokyo announced on 15 November that it had concluded a contract with the Chemical Plant Import Corporation of Hungary for export of the technology of manufacturing polypropylene (OPP) film and an OPP film plant with an annual

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capacity of 4,000 tons. The deal is estimated to total between 3 billion and 4 billion yen. The OPP film plant will turn out multi-layer film used for packaging foods. The plant will be built at the site of the (Titsay Begiy) Petrochemical Corporation in Leninvaros City near the Hungarian-Soviet border. [OW190515 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Nov 79 Morning Edition p 8 OW]

INCREASE IN OIL PRICES--Oil refiners will have to raise the prices of their products possibly within this month to meet rocketing bills for imported crude oil caused partly by the depreciation of the yen, Tokyo Nagayama, president of the Petroleum Association of Japan, indicated Monday. "Costs of imported crude are increasing sharply and oil companies have no alternative but to pass the higher crude bills on to the prices of their products." He said the timing of the increase will depend on the business conditions of each company, but Showa oil, of which he is president, wants to enforce it as soon as possible and December will be too late he added. Nagayama also said there is no worry about the supply of home heating oil for this winter. Kerosene production is increasing and, if the winter cold is not too severe, there may be an oversupply, he said. [Excerpts] [OW141047 Tokyo ASAHI EVENING NEWS in English 13 Nov 79 p 1 OW]

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40

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SCIENCE AND TECHNOLOGY

HIGH-PURITY TIN REFINING PROCESS DEVELOPED

Tokyo NIHON KOGYO SHIMBUN in Japanese 20 Oct 79 p 8

[Text] Assistant Professor Yoshio Hoshino and Assistant Tziao Utsonomiya of the Industrial Material Research Institute of Tokyo Institute of Technology have developed a high-purity metal tin refining technology which achieves a purity of six nines or above (99.9999%) in a comparatively short period of time. This achievement was realized as a result of improving the zone melting method which is known as one of the single crystal nature methods for germanium and silicone. The purity of the metal tin commercially sold as special grade reagent is four nines. It is very difficult to improve this to the level of six nines. This six nine class high-purity product is said to have been already in production in the U.S., but not in our country. However, this imported product is very expensive figuring somewhere around 500 yen/g. With the new technology, it looks like the price will be reduced by as much as one digit (Utsonomiya), and this invention will attract the attention of those concerned. The properties of the high-purity metal tin obtained from the new process have not been checked yet, but it is planned to carry out analysis jointly with the Inorganic Material Research Institute of Science and Technology Agency.

High-purity metal tin is most often used as a clear electrode in a form of tin oxide, but may be possibly used as a semiconductive electrode when hydrogen is produced by decomposing water with sunlight as an energy source.

As means to achieve this high purification, the zone melting method, the solvent extraction method and the ion-exchange method are conceivable, but the zone melting method is considered the most general.

However, zone melting has a serious weakness in that it takes an extremely long time for refining.

In zone melting, a ring furnace, i.e., a high frequency coil, will be fitted on one end of the rod ingot of the raw materials. With this heat, the raw material in the vicinity of the furnace will be melted, and the furnace is slowly moved toward the other end. With the passing of the furnace, the resolidified part is refined and obtains high-purity. In

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short, with the moving of the furnace, the impurities also move and accumulate in a directly concentrated form. In practice, this process must be repeated many times. For instance, in case of improving the purity of metal tin from four nines to six nines, the process must be repeated several tens of times taking several tens of hours even using a multi-method where the number of furnaces is pluralized.

In the new technology of this time, the raw material ingot is sealed upright in a heat-resisting glass and rotated back and forth at a high speed to execute the zone melting refining from bottom to top. By mixing the melted metal tin using the force of rotation, the refining efficiency is improved and a purity of six nines or above is successfully achieved without repeating the process as often as before.

It has been said in the past that the mixing of the melted solution improves purity, but a good mixing method has not been found. It seems this is the first time that the long-talked about concept was substantiated.

To be concrete, first, the initial raw material, granular metal tin is washed with an acid to remove the oxidized film on the surface. Subsequently, the treated tin is vacuum melted, aspirated up into a glass tube, solidified, transferred into and vacuum sealed in another heat resisting glass tube with an inner diameter one size larger than the other tube.

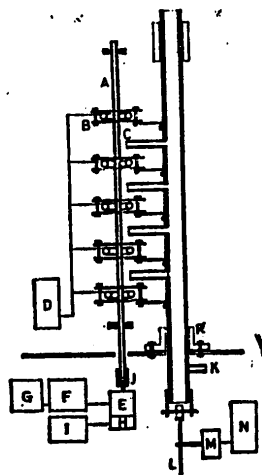
The sample obtained in this manner is set in a multi-type vertical zone melting apparatus as seen in the graphics. The refining is performed rotating the test tube at a rate of 100 cycles/second and alternating the rotational direction back and forth at a cycle of about one second.

In the experiment, a pyrex glass tube with an inner diameter of 6 mm was used, and the following samples were placed in the tube: (1) commercial reagent special grade metal tin (purity four nines); (2) (1) added with 1 percent lead; (3) (1) added with 1000 ppm of lead, iron, copper and cadmium. The refined products were analyzed by atomic absorption. It is reported that sample (1) was confirmed to have attained a purity of six nines or above after repeating the refining process 10 times at a required time of 20 hours.

Metal tin of four nine purity is sold at a price about 4 yen/g whereas the imported six nine product costs 500 yen/g or so, about 20 times more than the product obtained by the new process. According to Utsumomiya, a scale-up of the apparatus can be easily accomplished up to 10 times larger than the present experimental model, and he forecasts that high-purity metal tin of six nines or above may be manufactured at a price one digit cheaper than the imported product.

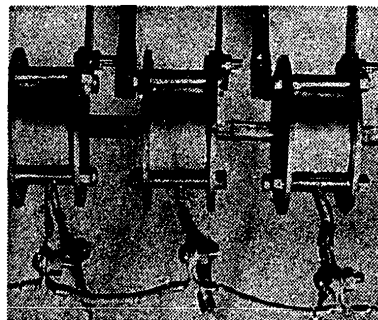
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ROUGH SKETCH OF EXPERIMENTAL APPARATUS



- A. heat resisting glass
- B. furnace (heater)
- C. cooling air outlet
- D. furnace control unit
- E. DC motor
- F. time switch
- G. DC power source
- H. tachometer
- I. recorder
- J. coupling
- K. compressed air supply pipe
- L. cam
- M. AC motor
- N. Interrupter

Furnace sections of the experimental apparatus. The center upright object is the heat resisting glass tube.



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